

**SUKUK BANK NEGARA MALAYSIA IJARAH
(SUKUK BNM IJARAH)**

**Facility Agent/Lead Arranger
BANK NEGARA MALAYSIA**

**Issuer
BNM SUKUK BERHAD**

16 FEBRUARY 2006

I. PRINCIPAL TERMS AND CONDITIONS FOR SUKUK BNM IJARAH

Issuer	:	BNM Sukuk Berhad
Facility Agent/Lead Arranger	:	Bank Negara Malaysia (“BNM”)
Issuance Principle	:	Sukuk Bank Negara Malaysia Ijarah (“Sukuk BNM Ijarah”) are trust certificates to be issued under the Islamic contract of Al-Ijarah (“Ijarah”).
Facility Description	:	<p>To facilitate the issuance of Sukuk BNM Ijarah, a master sale and purchase agreement (“Master Sale and Purchase Agreement”) has been executed by BNM as seller, the Issuer as buyer and the Sukuk BNM Ijarah trustee to govern the respective individual purchase and sale agreements of the acceptable assets entered into by the seller, the buyer and the trustee from time to time. The Issuer will issue the Sukuk BNM Ijarah and utilise the issue proceeds to pay for the purchase price of the acceptable assets. A head lease agreement (“Ijarah Head Lease Agreement”) has also been executed by BNM as lessee, the Issuer as lessor and the Sukuk BNM Ijarah trustee to govern the respective individual lease agreements of the acceptable assets entered into by the lessor, the lessee and the trustee from time to time.</p> <p>Essentially, the acceptable assets shall be purchased in accordance with the terms of each individual sale and purchase agreement at a purchase price to be agreed upon. Immediately thereafter, the acceptable assets shall be leased to BNM in accordance with the terms of each individual lease agreement, and lease rentals shall be paid by BNM to the Issuer over a period which amount and duration shall be equal to the nominal value and tenure of the Sukuk BNM Ijarah respectively.</p> <p>The trust obligations of the Issuer to the holders of Sukuk BNM Ijarah shall be evidenced by the Issuer issuing the Sukuk BNM Ijarah up to the issue size comprising Primary Sukuk BNM Ijarah with attached Secondary Sukuk BNM Ijarah. All bids submitted by the investors for the Sukuk BNM Ijarah are bids to purchase such proportion of the acceptable assets being offered.</p>
Particulars of the assets	:	BNM’s land and buildings in existence as at the relevant issue date as determined and identified by BNM and the Issuer.
Mode of Issue	:	Competitive Tender via FAST.
Rating	:	Exempted
Listing Status	:	The Sukuk BNM Ijarah will be listed on the Scripless Securities Trading System (“SSTS”).
Redemption	:	The Sukuk BNM Ijarah shall be redeemed by BNM at their full nominal value on the maturity date less all return payments previously made under the Secondary Sukuk BNM Ijarah on the respective return payment dates.
Secondary Sukuk BNM Ijarah	:	Secondary Sukuk BNM Ijarah will be payable semi-annually based on the weighted average successful rental rate

determined during the tendering exercise. Return payments and/or redemption payments on holidays shall be guided by the Rules on The Scripless Securities under the RENTAS.

Status of the Security	:	The Sukuk BNM Ijarah will be accorded with the following regulatory treatment: <ul style="list-style-type: none">(i) Holdings of Sukuk BNM Ijarah qualify for a 0% risk weight under the Risk Weighted under capital ratio framework;(ii) Class-1 liquefiable assets status with yield slippage of 2% under the liquidity framework;(iii) Primary issuance of Sukuk BNM Ijarah will be through Principal Dealers' network; and(iv) Holdings of Sukuk BNM Ijarah by licensed institutions are exempted from the computation of <i>Single Customer Credit Limit</i>.(v) Holding of Sukuk BNM Ijarah by insurance companies will be accorded 'low-risk asset' status.
Payment	:	Payments for the amounts accepted and allotted must be made in full by 11:30 a.m. on the issue date. On issue date, RENTAS will credit the Sukuk BNM Ijarah to the securities accounts after successfully debiting the cash accounts of the successful bidders.
Trust Deed	:	The Sukuk BNM Ijarah will be issued pursuant to the trust deed between the Issuer and Malaysian Trustees Berhad dated 8 February 2006 ("Trust Deed"). A copy of the Trust Deed will be available for inspection during office hours on any weekday (except Saturdays and public holidays) at the registered offices of the Issuer and the trustee.
Governing Law	:	The terms and conditions of the Sukuk BNM Ijarah are governed by the Trust Deed under the Laws of Malaysia.
Paying Agent	:	Bank Negara Malaysia
Solicitors	:	Adnan Sundra & Low 11 th Floor, Menara Olympia No.8, Jalan Raja Chulan 50200 Kuala Lumpur
Syariah Adviser	:	National Syariah Advisory Council of Bank Negara Malaysia
Authorised Depository	:	BNM will hold the Global Certificate for the beneficial holders and credit them with the specific amount of securities held for their account for the purpose of trading and transfer on the SSTS. BNM will record the holdings and transactions of scripless securities of the holders who are members of the SSTS. The holdings and transactions of the holders who are not SSTS members will be recorded by BNM under the Customers Holdings of Authorised Depository Institutions ("ADIs") appointed by BNM, with details on each holder recorded at a secondary level by the ADIs. Holders who are not SSTS members have to appoint an ADI for their holdings of the Sukuk BNM Ijarah. The Authorised Depository and/or the ADIs shall arrange for holders to receive payments of the redemption proceeds in accordance with the latter's instructions. Holders who are SSTS members shall be paid directly by the Authorised

Depository, while non-SSTS member holders shall be paid the redemption proceeds by the ADIs.

II. INFORMATION ON BNM SUKUK BERHAD

Date of incorporation : 18 January 2006

Principal Activities : The principal activities are:
(i) To purchase BNM's assets consisting of lands and buildings;
(ii) To lease back the assets to BNM;
(iii) To issue Sukuk BNM Ijarah;
(iv) To receive rental from BNM and subsequently distribute to all investors of Sukuk BNM Ijarah.

Registered office : Level 19, Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-20783688
Fax: 03-20787867

A copy of the Memorandum and Articles of Association and the last audited accounts (when available) will be available for inspection during office hours on any weekday (except Saturdays and public holidays) at the registered office of the Company.

Board of Directors : The Board of Directors is responsible for the formulation of the Company's general policies. List of Directors are as follows:
(i) En Muhammad bin Ibrahim
Assistant Governor
Bank Negara Malaysia
(ii) En N. Kokularupan
Chief Executive Officer
Cagamas Berhad

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